

1 **Q. Please state your name, business address, employer and current position.**

2 A. My name is James R. Burt. My business address is 6450 Sprint Parkway, Overland Park,
3 KS 66251. I am employed as Director – Policy for Sprint Nextel.

4
5 **Q. Please summarize your educational and professional background.**

6 A. I received a Bachelor of Science degree in Electronics Engineering from the University
7 of South Dakota – Springfield in 1980 and a Masters in Business Administration from
8 Rockhurst College in 1989.

9
10 I became Director – Policy in February of 2001. I am responsible for developing state
11 and federal regulatory policy and legislative policy for Sprint Nextel, including the
12 coordination of regulatory and legislative policies across the various Sprint business units
13 and the advocacy of such policies before regulatory and legislative bodies. In addition, I
14 interpret various orders, rules, or laws for implementation by Sprint Nextel.

15
16 From 1997 to February of 2001, I was Director-Local Market Planning. I was
17 responsible for policy and regulatory position development and advocacy from a CLEC
18 perspective. In addition, I supported Interconnection Agreement negotiations and had
19 responsibility for various other regulatory issues pertaining to Sprint’s CLEC efforts.

20
21 From 1996 to 1997, I was Local Market Director responsible for Sprint’s Interconnection
22 Agreement negotiations with BellSouth.

23 I was Director – Carrier Markets for Sprint’s Local Telecom Division from 1994 to 1996.

24 My responsibilities included inter-exchange carrier account management and
25 management of one of Sprint's Inter-exchange Carrier service centers.

26
27 From 1991 to 1994, I was General Manager of United Telephone Long Distance, a long
28 distance subsidiary of Sprint/United Telephone Company. I had P&L, marketing and
29 operations responsibilities.

30
31 From 1989 to 1991, I held the position of Network Sales Manager responsible for sales of
32 business data and network solutions within Sprint's Local Telecom Division.

33
34 From 1988 to 1989, I functioned as the Product Manager for data and network services
35 also for Sprint's Local Telecom Division.

36
37 Prior to Sprint I worked for Ericsson Inc. for eight years with positions in both
38 engineering and marketing.

39

40 **Q. Have you testified before any regulatory commissions?**

41 A. Yes. I have testified in Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana,
42 Maryland, Nebraska, North Carolina, Ohio, Oklahoma, Pennsylvania, Texas and
43 Wisconsin, have filed testimony in South Dakota and have supported the development of
44 testimony in many other states.

45

46 **Q. On whose behalf are you testifying?**

47 A. I am testifying on behalf of Sprint Communications Company L.P. (“Sprint”).

48

49 **Q. What is the purpose of your testimony in this cause?**

50 A. The purpose of my testimony is to support the application of Sprint Communications
51 Company L.P. to provide local exchange service in rate centers served by Interstate
52 Telecommunications Cooperative, Inc. (“Interstate”). More specifically, I intend to:

- 53 • Briefly describe the facilities-based local voice service that Sprint, together with other
54 competitive service providers such as MCC Telephony of the Midwest, Inc.
55 (“MCC”), seeks to offer to all customers of such services in South Dakota, and more
56 specifically, the areas served by Interstate;
- 57 • Define the service territory for which Sprint is seeking to expand its operating
58 authority within the state of South Dakota; and
- 59 • Describe Sprint’s managerial, technical and financial qualifications and how Sprint
60 meets the requirements of 47 U.S.C. §214(e)(1) as required by A.R.S.D.
61 §20:10:32:15.

62

63 **Q. Why is Sprint seeking to expand its local exchange services in South Dakota?**

64 A. Sprint is seeking to expand its local exchange services in South Dakota primarily for the
65 purposes of supporting the business model Sprint and MCC have chosen to utilize in the
66 Interstate serving territory. In addition, Sprint may use its expanded certification for its
67 own retail offerings at some point in the future.

68

69 **Q. Can you describe your understanding of the current competitive environment in**
70 **Interstate’s serving territory?**

71 **A.** Setting aside the discussion of the proposed services that are at issue in this proceeding,
72 currently there is little or no competition for wireline local voice services in Interstate’s
73 serving territory. Interstate is serving most, if not all, of the customers of local voice
74 services in its rate centers.

75

76 **Q. How will Sprint’s service help introduce competition into Interstate’s serving**
77 **territory?**

78 **A.** The service resulting from Sprint’s business model would be one of the first, if not the
79 first, competitive landline telecommunications ventures into the Interstate rate centers
80 that Sprint would serve. In addition, the service does not require the customer to invest in
81 a broadband connection and a computer, which the customer would have to purchase to
82 utilize an Internet-based Voice over Internet Protocol (“VoIP”) service. Sprint believes
83 that there is a demand for services provided by carriers other than Interstate.

84

85 **Q. Please briefly describe the business model that Sprint has chosen to bring local voice**
86 **services to South Dakota consumers in Interstate’s serving territory.**

87 **A.** Sprint has chosen to combine and leverage resources, capabilities, expertise, assets and
88 market position with other competitive service providers, including MCC, to bring
89 facilities-based competitive voice services to consumers in South Dakota. These services
90 are positioned to compete directly with urban and rural Incumbent Local Exchange
91 Carrier (“ILEC”) services. The model is simple. Sprint provides:

- 92 • end office switching;
- 93 • public switched telephone network (“PSTN”) interconnectivity including all
- 94 inter-carrier compensation;
- 95 • numbering resources, administration and local number portability (“LNP”);
- 96 • domestic and international toll service;
- 97 • operator and directory assistance; and
- 98 • numerous back-office functions.

99 In this case, MCC provides:

- 100 • last-mile facilities to the customer premise (commonly referred to as the
- 101 loop);
- 102 • marketing;
- 103 • sales;
- 104 • billing;
- 105 • customer service;
- 106 • installation; and
- 107 • maintenance.

108 Attached hereto as Exhibit (JRB-1) is a diagram representing the Sprint/MCC network

109 configuration.

110

111 **Q. Is Sprint currently utilizing the Sprint/cable business model to provide local**

112 **exchange service to customers in South Dakota and other states?**

113 A. Yes. This business model has proven to be effective in providing over 4 million
114 consumers and businesses a viable alternative to their ILEC service in 42 states with 13
115 different cable companies.¹ Sprint is providing these services using its state-specific
116 CLEC authority and under approved interconnection agreements serving consumers in
117 urban, suburban and rural markets in 42 states, including South Dakota. Sprint continues
118 to look for additional relationships similar to those already established by it and
119 competitors seeking to compete with ILECs to provide local exchange services. In fact,
120 Sprint and MCC already provide service in Qwest territory in South Dakota utilizing this
121 business model, pursuant to Certificates of Authority previously granted by this
122 Commission to both Sprint and MCC. Sprint and MCC are also preparing to provide
123 service in Swiftel territory in South Dakota utilizing this very same business model
124 pursuant to the authority granted to Sprint in Docket No. TC06-178 and to MCC in
125 Docket No. TC06-188.

126

127 **Q. Is the proposed Sprint/MCC service in Interstate territory any different from the**
128 **service Sprint and MCC are already providing in Qwest territory or intend to**
129 **provide in Swiftel territory?**

130 A. No, not at all. It is exactly the same service. In fact, other than provisioning any
131 necessary facilities to interconnect Sprint's network to Interstate's, Sprint will utilize the

¹ Sprint currently provides service using this business model in the following states: Alabama, Arkansas, Arizona, California, Colorado, Delaware, Florida, Georgia, Hawaii, Iowa, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Mississippi, North Carolina, Nebraska, New Jersey, Nevada, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, West Virginia, and Wyoming.

132 exact same network equipment and facilities to provide service in Interstate territory that
133 Sprint currently uses to provide service to Qwest customers.

134

135 **Q. Are any other companies providing local exchange service in South Dakota using**
136 **comparable technology?**

137 A. It is my understanding that Midcontinent, a cable company, is providing competitive
138 local voice service in certain Interstate rate centers other than those where Sprint seeks
139 certification and in various Qwest areas using essentially the same technology. As I
140 understand it, the only difference is that Midcontinent contributes all of the pieces of the
141 service using its own network resources rather than providing service jointly with Sprint
142 or another carrier, as MCC has chosen to do. I have reviewed the call path diagrams²
143 filed by Midcontinent as Exhibits dated March 25, 2008 in Docket No. TC08-17 (Swiftel
144 petition for suspension of 251(f)(2) obligations), and it appears the way the Midcontinent
145 service works is essentially identical to the way the Sprint/MCC service works.

146

147 **Q. Is the Sprint/MCC business relationship or the nature of the business model**
148 **relevant to Sprint's request to expand its certification?**

149 A. No, it isn't. The technology works, and the business model has been repeatedly
150 validated. As I explained above, Sprint is already utilizing this business model to serve
151 over 4 million customers nationwide, and Sprint and MCC are already providing service
152 under this business model to customers in Qwest territory in South Dakota. In addition,
153 Sprint and MCC are preparing to offer the same service in Swiftel territory pursuant to

² <http://www.puc.sd.gov/Dockets/Telecom/2008/tc08-017.aspx>

154 the authority granted to Sprint in Docket No. TC06-178 and to MCC in Docket No.
155 TC06-188. There is no question the technology operates effectively, or that Sprint and
156 MCC have the technical, managerial, and financial capabilities to provide this service.
157 Furthermore, numerous state commissions, federal district courts and the FCC have
158 expressly approved this business model. Following is a list of federal court and FCC
159 dockets in which the business model has been approved:

160 FCC – WC Docket No. 06-55
161 Southern District of Iowa – Docket Nos. 4:06 cv 00291 and 4:06 cv 00376
162 District of Nebraska – Docket No. 4:05 cv 3260
163 Southern District of Illinois – Docket No. 3:06 cv 00073
164 Western District of New York – Docket No. 6:05 cv 06502
165 Western District of Texas – Docket Nos. 1:06 cv 00065 and 1:06 cv 00825
166

167 **Q. Are Sprint’s technical, managerial and financial abilities comparable to those it had**
168 **when it was granted its Certificate of Authority in Docket Nos. TC96-156 and TC06-**
169 **178 authorizing Sprint to offer local exchange telecommunications services?**

170 **A.** Yes. On or about April 28, 1997, the Public Utilities Commission of the State of South
171 Dakota (“Commission”), in its Order Granting Amended Certificate of Authority in
172 Docket No. TC96-156, authorized Sprint to offer local exchange telecommunications
173 services throughout South Dakota. The Commission concluded that Sprint demonstrated
174 adequate technical, managerial, and financial capabilities. The Commission has more
175 recently come to the same conclusion in Docket No. TC06-178. There has been no
176 material change in the technical, managerial, or financial capacities of Sprint since either
177 Order was issued; therefore Sprint continues to possess sufficient technical, managerial,
178 and financial ability to offer the services certificated previously. Following is the URL

179 address for Sprint’s 2007 annual report and 10-K, further demonstrating that Sprint
180 maintains adequate technical, managerial and financial ability:
181 http://media.corporate-ir.net/media_files/irol/12/127149/200710K.pdf. In addition,
182 attached as Exhibit (JRB-2) are Sprint’s responses to Staff’s First and Second Data
183 Requests in this proceeding, which include among other things responses to commission
184 staff questions regarding the elements of ARSD 20:10:32:03.

185

186 **Q. What geographic area served by Interstate does Sprint propose to serve?**

187 A. As set forth in the Application, Sprint seeks authority to provide service within, but not
188 necessarily throughout, the following rate centers: Castlewood, Elkton, Estelline, Hayti,
189 Lake Norden and White. ARSD 20:10:32:15 provides in relevant part that “[t]hese
190 service requirements shall be imposed on the alternative local service provider
191 throughout a geographic area *as determined by the commission*, unless a waiver is
192 granted pursuant to. . . .” (emphasis added.) As explained below, Sprint is not seeking
193 ETC status and therefore will not collect any federal Universal Service Fund support.
194 Therefore, there is no reason why Sprint should be required to serve throughout an entire
195 service territory or rate center. The rule clearly states that the Commission can determine
196 the geographic area; then the alternative service provider is required to serve throughout
197 that Commission-determined area. Sprint is requesting the Commission determine that
198 Sprint’s geographic area is defined by and consists of the exact same territory as MCC’s
199 footprint. As explained above, under the Sprint/MCC business model MCC has the last-
200 mile facilities to customer premises. Sprint does not have any last-mile facilities; rather,
201 Sprint provides the switching and underlying network functionality. Because it is a

202 jointly-provided service with each carrier providing different pieces of the complete
203 service, Sprint and MCC serve the same area.

204

205 **Q. Is Sprint requesting a waiver from service throughout the “geographic area”**
206 **described in ARSD 20:10:32:15?**

207 A. As explained above, Sprint does not believe a waiver is required because ARSD
208 20:10:32:15 allows the Commission to determine the geographic area. The Commission
209 can and should determine that Sprint’s geographic area consists of the exact same
210 territory as MCC’s footprint, in which case Sprint will, by definition, be serving
211 throughout the entire “geographic area” determined by the Commission, and there is no
212 need for a waiver. Sprint requests a waiver only if the Commission believes that such a
213 waiver is necessary due to the fact that MCC’s footprint (and thus Sprint’s requested
214 “geographic area”) does not exactly correspond to Interstate rate centers’ territory, in
215 which case the waiver is requested for any and all Interstate rate centers’ territory that is
216 not covered by MCC’s footprint.

217

218 **Q. Is Sprint requesting ETC status for the purpose of seeking to collect Universal**
219 **Service Fund support?**

220 A. No. Sprint is not seeking ETC status and therefore will not collect or seek to collect any
221 Universal Service Fund support as a result of this proceeding. Sprint is required to
222 demonstrate satisfaction of the federal ETC criteria as a pre-condition under ARSD
223 20:10:32:15 to gain approval to serve consumers in Interstate territory. Sprint’s sole
224 purpose in demonstrating the federal ETC criteria is to gain approval in Interstate

225 territory, as the Commission required as part of the amended certificate of authority it
226 issued to Sprint in Docket no. TC96-156, not to actually gain ETC status or collect any
227 Universal Service Fund support.

228

229 **Q. What are the ETC requirements as outlined in 47 C.F.R. §54.101?**

230 A. The ETC requirements include; (1) voice grade access to the public switched network
231 (“PSTN”), (2) local usage, (3) dual tone multi-frequency signaling (“DTMF”) or its
232 functional equivalent, (4) Single-party service or its functional equivalent, (5) access to
233 emergency services, (6) access to operator services, (7) access to interexchange service,
234 (8) access to directory assistance and (9) toll limitation for qualifying low-income
235 consumers.

236

237 **Q. Please describe requirement 1, voice grade access to the PSTN.**

238 A. Voice grade access to the public switched network is defined as a functionality that
239 enables a user of telecommunications services to transmit voice communications,
240 including signaling the network that the caller wishes to place a call, and to receive voice
241 communications, including receiving a signal indicating there is an incoming call. For the
242 purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to
243 3,000 Hertz.³

244

245 **Q. Does Sprint provide voice grade access to the PSTN?**

³ 47 C.F.R. §54.101.

246 A. Yes. Sprint will provide the underlying switching and interconnection to the PSTN for
247 the Sprint/MCC jointly provided service.

248

249 **Q. Please describe requirement 2, local usage.**

250 A. Local usage means an amount of minutes of use of exchange service, prescribed by the
251 Commission, provided free of charge to end users.⁴

252

253 **Q. Does Sprint meet the local usage requirement?**

254 A. Yes. MCC as the retail provider of voice service has proposed to charge a flat monthly
255 service fee for local service with no limit to the number of calls made or received or
256 minutes of usage. Under the business model described above, Sprint does not bill or
257 charge the end-user.

258

259 **Q. Please describe DTMF signaling.**

260 A. DTMF is a method of signaling that facilitates the transportation of signaling through the
261 network, shortening call set-up time. This is, in effect, touch-tone dialing.⁵

262

263 **Q. Does Sprint provide DTMF signaling or its functional equivalent?**

264 A. Yes. With respect to the jointly provided service, MCC will provide DTMF signaling for
265 all customers. Sprint supports the DTMF signaling throughout its network.

266 **Q. Please describe single-party service.**

⁴ *Id.*

⁵ *Id.*

267 **A.** Single-party service is a service that permits users to have exclusive use of a wireline
268 subscriber loop or access line for each call placed.⁶

269

270 **Q. Does Sprint provide single-party service?**

271 **A.** Yes. With respect to the jointly provided service, Sprint and MCC will provide only
272 single-party service.

273

274 **Q. Please describe Access to emergency services.**

275 **A.** Access to emergency services includes access to services, such as 911 and enhanced 911,
276 provided by local governments or other public safety organizations. 911 is defined as a
277 service that permits a telecommunications user, by dialing the three-digit code “911,” to
278 call emergency services through a Public Service Access Point (PSAP) operated by the
279 local government. “Enhanced 911” is defined as 911 service that includes the ability to
280 provide automatic numbering information (ANI), which enables the PSAP to call back if
281 the call is disconnected, and automatic location information (ALI), which permits
282 emergency service providers to identify the geographic location of the calling party.
283 “Access to emergency services” includes access to 911 and enhanced 911 services to the
284 extent the local government in an eligible carrier's service area has implemented 911 or
285 enhanced 911 systems.⁷

286

287 **Q. Does Sprint provide access to emergency services?**

⁶ *Id.*

⁷ *Id.*

288 A. Yes. With respect to the jointly provided service, Sprint will provide 911 circuit
289 provisioning and connectivity to all appropriate Public Safety Answering Points
290 (“PSAP”), 911 database administration and 911 contract negotiation, if necessary.
291

292 **Q. Please describe access to operator services.**

293 A. Access to operator services is defined as access to any automatic or live assistance to a
294 consumer to arrange for billing or completion, or both, of a telephone call.⁸
295

296 **Q. Does Sprint provide access to operator services?**

297 A. Yes. With respect to the jointly provided service, Sprint will provide access to operator
298 services, including 0- and 0+ services.
299

300 **Q. Please describe access to interexchange service.**

301 A. Access to interexchange service is defined as the use of the loop, as well as that portion
302 of the switch that is paid for by the end user, necessary to access an interexchange
303 carrier's network.⁹
304

305 **Q. Does Sprint provide access to interexchange service?**

306 A. Yes. With respect to the jointly provided service, Sprint will provide access to
307 interexchange service.
308

308 **Q. Please describe access to directory assistance.**

⁸ *Id.*

⁹ *Id.*

309 A. Access to directory assistance is defined as access to a service that includes, but is not
310 limited to, making available to customers, upon request, information contained in
311 directory listings.¹⁰

312

313 **Q. Does Sprint provide access to directory service?**

314 A. Yes. With respect to the jointly provided service, Sprint will provide access to directory
315 assistance.

316

317 **Q. Please describe toll limitation for qualifying low-income consumers.**

318 A. Toll limitation denotes either toll blocking or toll control. Toll blocking is a service
319 provided by carriers that lets consumers elect not to allow the completion of outgoing toll
320 calls from their telecommunications channel. Toll control is a service provided by
321 carriers that allows consumers to specify a certain amount of toll usage that may be
322 incurred on their telecommunications channel per month or per billing cycle. Toll
323 limitation denotes either toll blocking or toll control for eligible telecommunications
324 carriers that are incapable of providing both services.¹¹

325

326 **Q. Does Sprint provide toll limitation?**

327 A. With respect to the jointly provided service, MCC's voice service package includes
328 unlimited local and domestic long distance service calling. The service does not
329 presently offer a "local only" product.

¹⁰ *Id.*

¹¹ *Id.*

330

331 **Q. What are the ETC requirements as outlined in 47 C.F.R. §54.201?**

332 A. These requirements include (i) offering the services utilizing the carrier's own facilities
333 or a combination of their own facilities and resale of other carriers' services; (ii)
334 advertising the availability of local exchange services and the charges therefore in media
335 of general distribution throughout the exchange areas served; and (iii) in the case of rural
336 areas, a determination by the commission that the designation is in the public interest.

337

338 **Q. With respect to the jointly provided service, will Sprint and MCC satisfy the**
339 **requirements of 47 C.F.R. §54.201?**

340 A. Yes. With respect to the jointly provided service, Sprint and MCC offer these services
341 utilizing their own facilities or a combination of their own facilities and resale of other
342 carriers' services; and MCC will advertise the availability of its local exchange services
343 and the charges therefore in media of general distribution throughout the exchange areas
344 served.

345 In addition, granting Sprint's petition is in the public interest. The service will bring
346 competitive choice through a facilities-based business model chosen by the most likely
347 and most qualified competitor to ILEC service. This will bring benefits to the public in
348 several ways. First, companies in a competitive industry must take steps to attract
349 customers. One main way to do this is to offer lower prices. If competition is
350 sufficiently robust, companies will have to price their services at the economic cost of
351 producing the services. Another strategy used by companies in a competitive industry is
352 to differentiate themselves from their competitors and attract new customers by offering

353 new and innovative services. Third, competitive companies are also quicker to develop
354 and/or deploy new technologies, in order to attract more customers. Thus, the
355 Sprint/MCC offering is in the public interest because it will result in lower, cost-based
356 prices, more new and innovative services, and more investment in new technologies.

357

358 **Q. Please briefly summarize the relief Sprint is requesting from the Commission.**

359 A. Sprint is requesting the Commission's approval to expand the Sprint/MCC jointly
360 provided local exchange service to consumers in various rate centers in Interstate
361 territory. Sprint and MCC already provide the exact same service in Qwest territory and
362 are preparing to provide the same service in Swiftel territory pursuant to certificates of
363 authority previously granted by the Commission to both Sprint and MCC. The same
364 facilities and equipment will be used to provide service in Interstate territory. The
365 Sprint/cable business model has been repeatedly upheld by numerous federal district
366 courts, as well as the FCC. Accordingly, the Commission should approve Sprint's
367 petition.

368

369 **Q. Does this conclude your testimony?**

370 A. Yes it does.